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TESTIMONY IN SUPPORT OF RB 5143: AN ACT CONCERNING INSURANCE COVERAGE FOR PERISHABLE  
FOOD DONATED BY CERTAIN FOOD ESTABLISHMENTS

The Connecticut Food Association is the state trade association that conducts programs in public affairs, food safety, research, education and industry relations on behalf of its 240 member companies—food retailers, wholesalers, distributors, and service providers in the state of Connecticut. CFA's members in Connecticut operate approximately 300 retail food stores and 250 pharmacies. Their combined estimated annual sales volume of \$5.7 billion represents 75% of all retail food store sales in Connecticut. CFA's retail membership is composed of independent supermarkets, regional firms, and large multi-store chains employing over 30,000 associates. Our mission is to foster the growth of the food industry in the state of Connecticut by proactively initiating new laws and regulations that benefit the industry. Our goal is to create a growth oriented economic climate that makes Connecticut more competitive with surrounding states.

The Connecticut Food Association supports RB 5143. This legislation logically corrects a situation which occurred during the devastating two storms which occurred during the fall of 2011. Fitzgerald's Foods located in Simsbury, found itself without power for a projected extended period of time and would be forced to destroy perishable products. Prior to such perishable products being destroyed, the store decided to donate the product to local emergency shelters where it might be able to be of use to people in need.

Here's the rub. The store's insurance company covered the product that remained in the store and had to be destroyed because of health and safety reasons. The insurance company refused to cover the value of the product that was donated to the emergency shelter. This product would have been covered if left at the store to be thrown out. So, by being a Good Samaritan, the store lost the insured value of the product and suffered an economic hardship. It doesn't make sense that a store should be penalized by the insurance company for being a good corporate citizen and trying to help people in times of natural disasters.

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RB 5143 requires that insurers that provide coverage to a food establishment for spoilage of perishable food to cover to the same extent perishable foods that such establishment donates to an emergency shelter, and to extend immunity to such establishments for such a donation. By enacting RB 5143 this injustice would be corrected and stores would be incentivized to continue to make timely donations of perishable product to emergency shelters in time of natural disasters instead of letting it spoil and collecting full insurance value of the product.

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